

Government of India
Ministry of Finance
Department of Economic Affairs

**LOK SABHA
UNSTARRED QUESTION NO. 2023**

TO BE ANSWERED ON MONDAY, MARCH 13, 2023/ PHALGUNA 22, 1944 (SAKA)

Impact of Hindenburg Report on Indian Corporate Sector

2023. SHRI N.K. PREMACHANDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has analysed the impact of the Hindenburg report in the corporate sector of the country and if so, the details and the outcome thereof;
- (b) whether the Government proposes to conduct any enquiry/study regarding the impact of the report on the corporate sector of the country and if so, the details thereof;
- (c) whether any adverse impact has been reported in the share value of many companies in the country due to the said report and if so, the details thereof;
- (d) whether the Government proposes to restrict disbursement of further loans to the likes of Adani Group of companies from nationalized banks and financial institutions of the Government in the light of the said report and the subsequent development and if so, the details thereof and the action taken by the Government in this regard; and
- (e) the total amount of loans disbursed to the Adani Group of companies from Government financial institutions and banks till date?

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (c): The Securities and Exchange Board of India (SEBI), as the statutory regulator of securities markets, is mandated to put in place regulatory frameworks for effecting stable operations and development of the securities markets including protection of investors. As per its mandate, it conducts investigations into any alleged violations of its Regulations by any market entity. It is, accordingly, undertaking investigation into the market allegations against the Adani Group of companies. The nine listed companies forming part of Adani Group witnessed a decline of around 60% of market capitalization from January 24, 2023, till March 01, 2023 subsequent to the report published by Hindenburg Research. The volatility in the stocks of these companies have not had any significant impact at the systemic level. Nifty 50 declined by around 4.5% during the same period.

(d) and (e): As per Reserve Bank of India (RBI), banks are free to take credit related decisions based on internal assessment of the commercial viability of the loan within their Board-approved policies and within RBI's prudential guidelines. Further, RBI has informed that under the provisions of section 45E of the Reserve Bank of India Act, 1934, RBI is prohibited from disclosing credit information.
